



CITY MANAGER'S BUDGET MESSAGE

To the Honorable Mayor and Members of the City Council,

On behalf of City Staff, it is my privilege to present to the residents of the City of Burbank the adopted, balanced budget for Fiscal Year (FY) 2010-2011. The City's budget represents a series of challenges and difficult decisions in order to adequately fund the excellent level of services and programs delivered while considering the prudent use of taxpayer funds. Following numerous public meetings, the City Council approved this budget, which will fund public safety, transportation, library, parks and open space, development services and capital projects, as well as many other municipal programs and services.

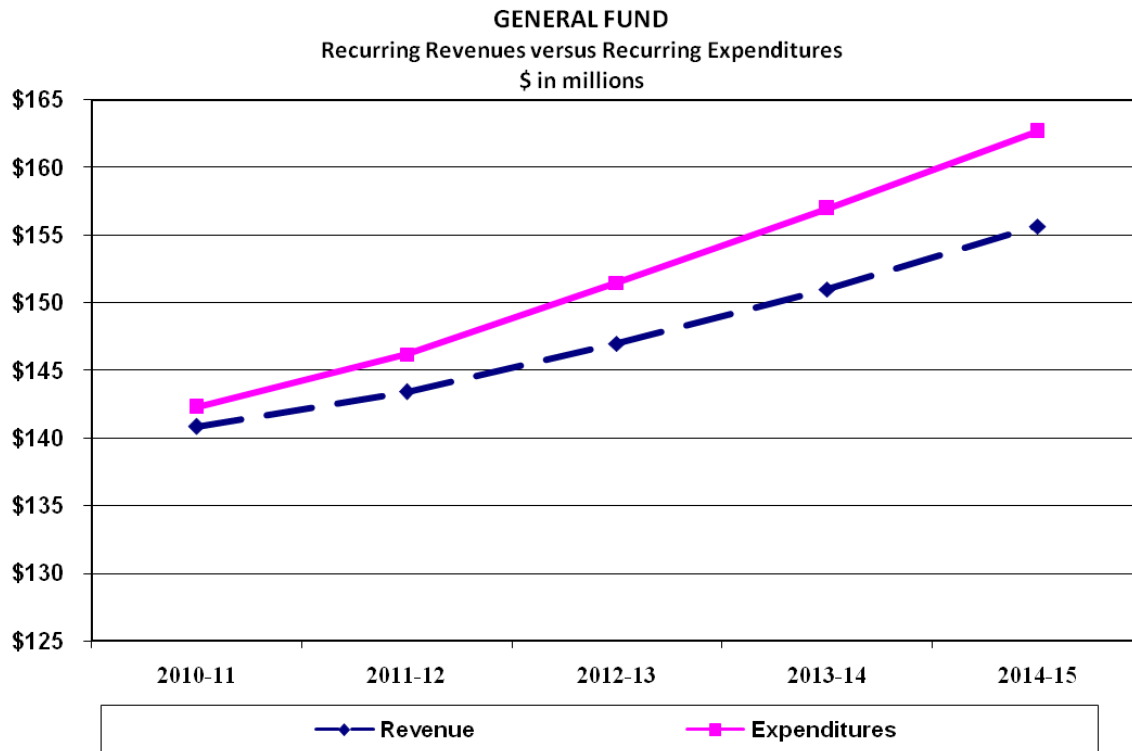
After several years of stable financial growth and prosperity, the City of Burbank is experiencing a second consecutive year of impacts from the economic recession. Although Burbank has fared the recession relatively well in comparison to our neighboring cities and the Los Angeles region, by no means have we been immune from this economic crisis. A decline in our major revenue sources coupled with a continued increase in expenses has led to a projected recurring General Fund deficit of \$5.8 million for FY 2010-11. As a result, staff established parameters for the FY 2010-11 Budget which would address this deficit and facilitate the development of a balanced budget for the upcoming year. During the last several months, staff has worked to produce a FY 2010-11 Budget which reduces the budget gap while creating as minimal an impact as possible to City services.

The FY 2010-11 budget totals \$786 million for all funds with the General Fund appropriations totaling \$145.2 million. The chart below illustrates the source of funds and appropriations for each fund or fund type for the FY 2010-11 Budget:

FUND/FUND GROUP	ESTIMATED RESOURCES	ADOPTED APPROPRIATIONS
General Fund	\$ 145,201,639	\$ 145,201,639
Special Revenue Funds (incl. Cap. Projects Fund)	25,361,048	18,940,475
Internal Services Funds	36,281,804	36,179,471
Water Reclamation & Sewer	18,832,285	18,832,285
Golf Fund	2,468,674	2,468,674
Water and Electric (BWP)	464,913,796	464,913,796
Refuse Collection and Disposal	16,325,423	15,664,309
Redevelopment Agency	78,475,574	67,765,804
Public Financing Authority	6,247,681	6,247,681
Housing Authority	9,073,302	9,073,302
Parking Authority	797,559	797,559
TOTAL ALL FUNDS	\$ 803,978,785	\$ 786,084,995

BUDGET DEVELOPMENT PROCESS

After years of steady revenue growth, the City's General Fund forecast has experienced a significant decline over the past two years. At the beginning of this year's budget process, staff presented to the City Council a projected recurring General Fund budget deficit of \$5.8 million beginning in FY 2010-11 and expanding out into future years. Over the next five years, revenues are expected to increase an average of 2.3 percent annually, with costs increasing at approximately the same rate. While it is likely that the budget gap will begin to flatten in later years, the deficit in year five (FY 2014-15) is still projected to be \$6.9 million.



As a result of the projected deficit for FY 2010-11, the General Fund budget parameters for this year once again included reductions of five percent of discretionary expenditures. The City's Executive Team reviewed proposed budget reductions and requests during the month of March and, at that point, decided on proposed changes to the budget, mainly concentrating on the General Fund. These recommendations were presented to the City Council and the public during three budget study sessions held in May, and the public budget hearing on June 8. Ultimately, the City Council adopted a budget that included General Fund reductions ranging from zero to five percent per department.

Other budget parameters set forth by the City Manager's Office included the following:

New Positions/Upgrades:

No new positions or upgrades were accepted unless revenue offset, State or federally mandated or required to prevent serious detrimental impacts on City operations or public safety. New positions adopted for the FY 2010-11 Budget include a City Attorney, a Legal Secretary, and the reinstatement of a Police Captain position.

Materials, Supplies & Services (M S & S):

There were no allowable increases in M S & S for FY 2010-11. Any exceptions must be beyond the Departments' control. A total of \$270,920 in M S & S increases was adopted by the City Council, of which \$28,920 is recurring. The majority of this total relates to increases in Police Department expenses for arrestee medical claims.

Capital Outlay:

No new requests for capital outlay were allowed unless they resulted in long-term budget savings or other efficiencies. The Adopted Budget includes \$36,000 in non-recurring capital outlay expenditures for FY 2010-11. These funds will be used to purchase traffic monitoring cameras and accident database software for the Public Works Department.

New Programs:

The Adopted Budget includes two new programs for the upcoming fiscal year. The first is a Fire Recruit Academy for \$425,350 (non-recurring) and the other is the inclusion of Youth Employment participants in the City's Employee Assistance Program (EAP) for \$2,320 (recurring).

GENERAL FUND REVENUE

General Fund revenues are estimated at approximately 140.8 million for FY 2010-11, a 1.4 percent increase over revised FY 2009-10 revenues. Based on trend analysis of the prior year's actual receipts, several revenue categories are expected to decline or remain stagnant, offsetting much of the growth in other categories. The most notable declines are in property tax, service charges, building permit fees, and franchise fees. Meanwhile, areas such as utility users tax (UUT) and in lieu tax are showing moderate to strong growth due to rising utility rates. Below is a description of some of the more notable changes in revenue for FY 2010-11:

Sales Tax – Sales tax revenues coupled with the triple flip in-lieu are typically the City's largest revenue source. Due to the recession, sales tax revenue is expected to be less than property tax during FY 2009-10 and FY 2010-11. Local taxable sales, along with the economy, have shown signs of stabilization, and sales tax revenue is expected to remain flat relative to the revised FY 2009-10 estimate. Despite signs that the economy has stabilized, the recovery has thus far been weaker than hoped. Unemployment and lagging real estate prices continue to have a negative impact on consumer confidence and spending.

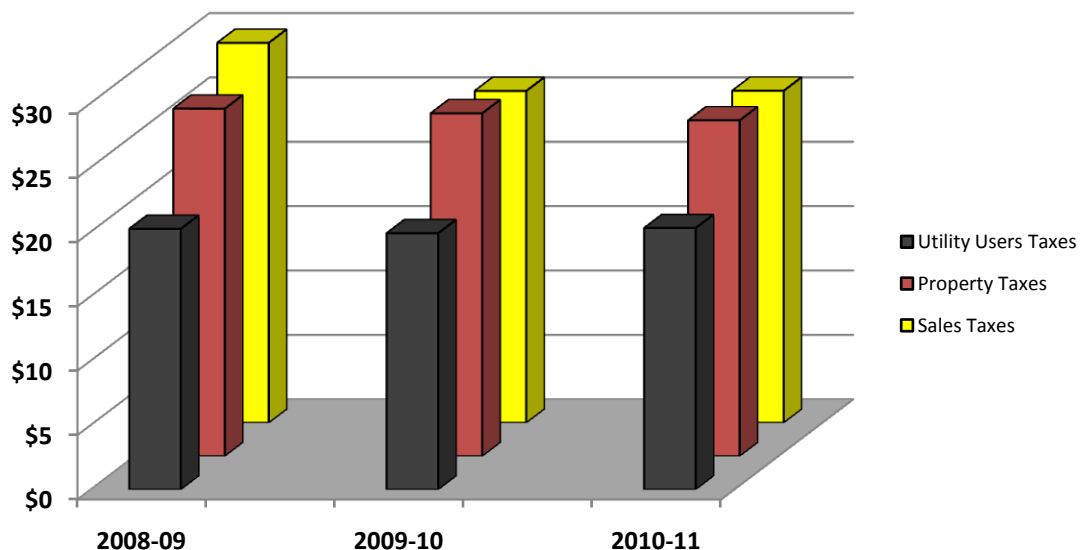
Property Taxes – Although home sales prices have stabilized, they are still 25 percent less than the peak in 2006. Until now, Proposition 13 has protected Burbank from experiencing any decrease in property tax. For the first time since the inception of Proposition 13, California experienced deflation and as a result, assessed value for properties with continuing ownership will decline by 0.23 percent. Because of this decline in assessed value and continued weakness in real estate prices, FY 2010-11 property tax revenue is expected to decline by 2 percent from FY 2009-10.

Utility Users Tax (UUT) – The UUT rate of 7 percent is applied to telephone, gas and electric usage. Overall, FY 2010-11 UUT revenue is estimated to increase 2 percent due to increases in electric and natural gas retail sales as well as continued increases in wireless communication. This will be somewhat offset by the continued decline in traditional land line phone usage.

Burbank Water & Power (BWP) In Lieu Taxes - Instead of paying a franchise tax, the utility pays an in-lieu of tax on electric and water sales. As a result of an approved water rate increase and an electric rate increases that will become effective in January 2011, this revenue category is expected to increase by 6.7 percent over the prior year.

Service Charges and Building Permits – The recession has caused economic activity to decline in several areas. This has been especially noticeable in construction. Commercial and residential projects have fallen off sharply and this is expected to continue during the coming year.

The following chart highlights the top three revenue sources for General Fund dollars: Sales Tax, Property Tax and Utility Users Tax.



In addition to the recurring revenue noted above, the City has used several available, non-recurring resources to fund one-time expenditures and \$1,416,022 to balance the recurring expenditures in the City's budget. This year, approximately \$2.9 million in set-aside funds were utilized for General Fund purposes, including the use of \$1,488,597 from the Budget Stabilization Fund. The Budget Stabilization Fund is a separate set-aside from our formal reserves, which was established by the City Council to address structural deficit problems and provide a safety valve to help mitigate future budget reduction decisions facing the City. The City Council has been contributing to this fund annually since 2003 using year-end budget savings.

GENERAL FUND APPROPRIATIONS

This year's adopted City of Burbank recurring appropriations amount is \$145.2 million. General Fund appropriations are mainly driven by labor costs. In fact, approximately 80 percent of this year's General Fund budget is related to negotiated salaries and benefits.

Memorandum of Understanding (MOU) Projected Costs:

The City entered into a new memorandum of understanding (MOU) with the Burbank Managers Association (BMA) for FY 2010-11 and has an on-going contract with the International Brotherhood of Electric Workers Local 18 (IBEW) through 2012. Recognizing the difficult economic circumstances of this current budget cycle, the BMA,

along with the City's Executives and Unrepresented Manager groups all volunteered to accept a freeze in salary range for FY 2010-11. As of the date of this publication, the City is currently in negotiations with the Burbank City Employees' Association (BCEA), the Burbank Police Officers' Association (BPOA), the Burbank Fire Fighters Association (BFF), the Burbank Fire Fighters-Chief Officer's Unit (BFF-COU) for FY 2010-11.

Public Employees Retirement System (PERS) Costs:

CalPERS has created a new rate smoothing methodology in an attempt to minimize the immediate impact of the extreme volatility that was experienced in capital markets over the last two years. This methodology spreads the impact over a 30 year period, which minimizes the initial rate impact that was expected in FY 2011-12, but increases the City's overall liability over the next several decades.

The rates for FY 2010-11 are based upon the City's retirement account valuation as of June 30, 2008, so we do not expect any significant changes for the next fiscal year. However, even with the new smoothing plan, the City can expect a moderate increase in rates for FY 2011-12, as these rates will be based upon the valuation as of June 30, 2009 in which PERS experienced double digit investment losses. Below are the PERS rates for the three employee classifications for the prior year (FY 2009-10), current fiscal year (FY 2010-11) and the following year (FY 2011-12).

	Actual FY <u>2009-10</u>	Actual FY <u>2010-11</u>	Projected <u>FY 2011-12</u>
Police 3% @ 50	21.520%	21.640%	24.9%
Fire 3% @ 55	13.947%	13.370%	16.9%
Miscellaneous 2.5% @ 55	11.087%	10.493%	12.5%

INTERNAL SERVICE FUNDS (ISF)

As part of an overall effort to identify ways to reduce General Fund costs for FY 2010-11, staff once again looked at internal service funds during the budget development process. Life cycles and replacement costs were reviewed for all types City equipment, such as vehicles and computers, to see where savings could be achieved. In addition, cash flows for each of the funds were examined to identify areas where fund balance could be used to help offset rate increases. In some cases, such as the General Liability and Workers Compensation Funds (530-531), moderate increases were unavoidable due to the increasing costs of purchasing insurance policies, along with pending expenses for liability claims. Other funds, however, were able to achieve significant savings.

The Vehicle Equipment Replacement (Fund 532) provided the most significant General Fund savings by deferring the replacement of a number of City vehicles. This equates to a reduction in capital costs of \$619,000. Office Equipment Replacement (Fund 533) rates also decreased by \$75,000 due to a reduction in inventory maintained by the fund and deferred replacement of equipment. Lastly, Computer Equipment Replacement (Fund 537) rental rates decreased by nearly \$70,000, largely due to cost savings achieved through the implementation of the City's new Multi-Function Printer (MFP) equipment program.

SPECIAL REVENUE FUNDS

As part of the continued effort to maintain and improve its infrastructure as well as continue a range of programs, the City has several Special Revenue Funds which are administered by various departments. These funds receive dedicated revenues that can

only be used for specific purposes, such as grant revenue for Community Development Block Grant (CDBG) or Housing.

The following highlights some of the special revenue funds which have new appropriations for FY 2010-11.

Fund 107 (Measure R Transportation): Newly created for FY 2010-11, this fund provides public improvements through the use of Local Return money generated by a ½ cent sales tax that was approved by the Los Angeles County voters in 2008. \$523,018 has been appropriated for uses and projects that benefit and support local transit services and transportation infrastructure.

Fund 122 (Community Development Block Grant): Community Development Block Grant (CDBG) monies go to fund both public service projects as well as capital projects designed to benefit persons of low to moderate income. For FY 2010-11, there is Public Service Funding totaling \$200,410 for local non-profit groups including the Salvation Army Emergency Services, Burbank Family Service Agency, Burbank Temporary Aid Center Assistance for Needy and Homeless, B.U.S.D. Summer Youth Employment, YMCA Childcare Program, Boys and Girls Club, Burbank Center for the Retarded Disabled Programs for Adults and Children, Library Department Literacy Program, Armenian Relief Society, Burbank Noon Lions Ear/Eye Care Programs, Kids Community Dental Clinic Dental Services and Family Promise Case Management for Homeless Families. In addition, there is Capital Project funding totaling \$868,446 that will assist in funding code enforcement and various public works projects.

Fund 125 (Gas Tax Fund): The City of Burbank's \$475,000 allocation of Proposition 42 funds has been appropriated for the purpose of resurfacing/reconstructing streets, alleys and sidewalks throughout the City.

Fund 127 (Public Improvements Fund): This program funds public improvements through the receipt of Development Impact Fees. For FY 2010-11, the City Council allocated \$200,000 for the San Fernando Bikeway and \$625,000 for the I-5 and SR-134 Congestion Management project, both of which will be partially reimbursed by Metro Call for Projects grants.

Fund 128 (HUD Home Program): A total of \$853,702 was appropriated in this year's HOME fund for Focus Neighborhoods to improve substandard housing in the City.

Fund 129 (Street Lighting): This Fund provides for citywide street lighting maintenance through the use of 1¼% electric Utility Users Tax revenues. Approximately \$2.8 million was appropriated this year for street light improvements and maintenance.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The City of Burbank currently has five Enterprise Funds: Electric, Water, Golf, Water Reclamation & Sewer, and Refuse. Each fund must ensure that its revenues cover operating expenses, including depreciation, of providing goods and services to users/customers. Revenues may be comprised of service charges/fees/sales, interest and other income. The Water, Electric, Water Reclamation & Sewer, and Refuse funds all required increases for FY 2010-11, due to increases in costs. In the cases of the sewer and refuse funds, these increases are in accordance with multi-year rate plans approved by the City Council in prior years.

Water Reclamation and Sewer Fund: The Public Works Department administers this Fund and its main objective is to operate and maintain the City's Water Reclamation Plant and Industrial Waste Monitoring in compliance with federal, state and local regulations. The Water Reclamation & Sewer Fund's proposed budget reflects an overall sewer rate increase of 5 percent. The cost of sewage treatment and disposal has risen due to new regulatory requirements, which affects Burbank through discharge costs to the City of Los Angeles. This places the City in the last year of a five-year rate smoothing plan to increase rates 6%, 6%, 6%, 5%, 5% over the five years of the plan.

Refuse Collection and Disposal Fund: This Fund is also administered by the Public Works Department. This Fund consists of three programs: Refuse Collection, Refuse Disposal and Recycling. One of the main goals of the Fund is to maintain refuse collection, disposal and recycling fees at a level sufficient to fund operating costs and future capital improvements, while continuing to keep the rates as low as possible to customers. The City Council authorized an eight percent rate increase for FY 2009-10. During the FY 2007-08 budget deliberations the City Council approved a five year rate smoothing plan to increase refuse rates eight percent per year to ensure the continued economic viability of the City's refuse collection, disposal and recycling operations. The increase is needed to meet rising operational costs in order to continue providing comprehensive refuse services that include household trash disposal, green waste recycling, recyclable collection and processing, and unlimited bulky item pick-up.

Golf Fund: This Fund, administered by the Park, Recreation and Community Services Department, provides sufficient funding to maintain and operate an 18-hole course, a 9-hole par 3 course, a driving range, and a clubhouse. Construction of a new DeBell Golf Clubhouse facility was completed in FY 2008-09 and opened to the public on January 5, 2009.

Electric Fund: Burbank Water and Power (BWP) administers this fund. Electric and Power Supply highlights for FY 2010-11 include the expansion of renewable energy use and acquisition of renewable energy projects and resources thru collaborative efforts with Southern California Public Power Authority (SCPPA); an electric rate increase primarily driven by higher energy costs; and the development of a utility Smart Grid to improve outage management, reduce line losses, and expand new customer programs such as time of use rates. The City Council approved an electric rate increase of 2.9 percent for FY 2010-11, but this will not go into effect until January of 2011.

The BWP Electric Fund's FY 2010-11 Budget has a total of \$397.9 million in overall appropriations, leaving an operating income of \$6.3 million. The FY 2010-11 CIP budget for the Electric Fund is approximately \$53.6 million.

Water Fund: BWP also administers this fund. The highlights of the Water Fund for FY 2010-11 include Metropolitan Water District (MWD) rate increases and potential MWD water availability restrictions; ground water replenishment costs; a water rate increase; and continuing the build-out of the Recycled Water System. The City Council approved a 13.5 percent increase for FY 2010-11 which represents an increase of approximately \$7.00 to the average residential customer. The increase is necessary because of water supply issues and water cost escalation beyond the City's control.

The Water Budget includes total appropriations of \$40.2 million, leaving an operating income of \$1.5 million. The Water Fund CIP Budget for FY 2010-11 totals \$13 million.

REDEVELOPMENT AGENCY

The Redevelopment Agency continues its principal aim at rehabilitating and revitalizing blighted and deteriorated areas via various methods of Redevelopment Agency participation. Removal of blight, creation and retention of jobs, infrastructure improvements, and preservation of affordable housing remain the four primary areas of focus for the Agency.

Burbank Merged and Amended Redevelopment Project Area: This Project Area incorporates the Golden State Project Area, City Centre Project Area, and South San Fernando Project Area. During FY 2010-2011, the Agency will focus its efforts on preserving, enhancing, and expanding the economic base of the community. Goals and programs have been established within the City-wide Economic Development Strategy, which includes but is not limited to the Business Assistance Program, the City-wide retail campaign called “Shop Burbank”, and Team Business, which supports our small business community. With commitment to sustainability as an on-going priority, new collaborations with the Burbank Green Alliance were pursued to add sustainable workshops to the 2010 Team Business curriculum. In addition, the Agency will continue its revitalization efforts within Magnolia Park and Downtown through its partnership with the Property-Based Business Improvement Districts (PBIDs).

West Olive Redevelopment Project Area: Within the West Olive Redevelopment Project Area, the Media District Specific Plan has established the framework for development and infrastructure improvements. The focus of this Redevelopment Project Area has been to help implement transportation improvements such as the State Route 134 Hollywood Way Ramp Project, Johnny Carson Park renovations, and is currently working on plans for the Olive Avenue Streetscape, a project that will enhance one of the City’s major corridors.

Low and Moderate Income Housing: The Low and Moderate Income Housing Fund provides funding for the Agency's Affordable Housing Program. The Program implements the activities recommended by the Blue Ribbon Task Force on Affordable Housing, such as the continuation of the Residential Rehabilitation Program; land assemblage for mixed-use and in-fill development; and working to identify strategically located distressed residential properties for acquisition and rehabilitation.

HOUSING AUTHORITY

The City’s Housing Authority is funded by the United States Department of Housing and Urban Development (HUD), and the use of funds is pursuant to federal government regulations. The Housing Authority will continue to concentrate on expanding housing opportunities for very low-income housing families, avoiding concentrations of assisted housing, and using existing housing stock as affordable housing. This year, over \$7.6 million has been budgeted for housing assistance payments.

PARKING AUTHORITY

The Parking Authority Capital Projects Fund provides for the acquisition, construction, maintenance, and operation of all City-owned or operated public parking facilities within the City of Burbank. Revenue sources include monthly parking permit fees, lease fees, the Downtown Public Facility Maintenance District levy, and various public-private parking agreements within the downtown area. The opening of The Collection public parking facilities in FY 2008-09 allowed for improved traffic flow in the Orange Grove structure. In addition, the City exercised its option to purchase the Courthouse parcel in February 2009, eliminating the cost of the annual lease payment for this facility.

STATE BUDGET IMPLICATIONS FOR FY 2010-11 BUDGET

The FY 2009-10 State Budget adoption process was arguably the most difficult in the history of the California Legislature, and the FY 2010-11 budget picture looks just as volatile as the State faces an \$18 billion dollar deficit. Well after the beginning of the fiscal year, the State Budget process is still in the proposal stage, and our past experience tells us that we won't really have a good idea of what the State Budget will look like until long after this document goes to print.

The most significant financial impact to the City resulting from the State Budget crisis was the two-year Redevelopment takeaway adopted by the State in FY 09-10. Although the California Redevelopment Association (CRA) filed suit arguing the action was unlawful, the takeaway was ultimately upheld by the courts in May, thus requiring the Burbank Redevelopment Agency to pay the State \$16.1 million, with an additional payment of \$3.3 million due in FY 10-11. These are funds that could have otherwise funded much needed infrastructure projects throughout the City.

The Governor's latest May Revise was released on May 14th, and it appears for now that the impact to local governments is largely indirect. The proposal focuses mostly on some severe and controversial cuts to social services programs, including the elimination of CalWORKS, a welfare to work program. Interestingly, the May Revise also proposed restoring COPS funding to prior year levels, which would restore a small piece of revenue to Burbank. Also included in the Governor's Budget for FY 2010-11 is the implementation of a transportation swap that replaces gasoline sales tax revenues protected by Proposition 42 with an equal distribution of Highway Users Tax Account (HUTA) funds. At this time there appears to be no impact to the City's Gas Tax Fund revenues for FY 2010-11, but it is unclear how this proposed swap will impact local transportation funds in future years.

The California economy remains unstable as the economy begins to recover and pull itself out of the recession. Unemployment, along with the struggling housing and credit markets will continue to have a negative impact on the State Budget in FY 2010-11 and beyond, putting future City revenues at risk. City staff will continue to monitor the activity related to the State Budget, particularly as economic conditions continue to fluctuate in California and around the nation.

CAPITAL IMPROVEMENT PROJECTS

Although the CIP budget document is developed in conjunction with the operating budget, it is submitted separately in order to provide more detailed information for each of the 215 capital projects taking place within the City of Burbank. The document itself is a cooperative effort between Budget staff and other City staff responsible for their respective projects. Major capital improvements can often be complex projects requiring several years of strategic planning, design, funding, and ultimately, construction. The CIP is a five-year program designed to tie the planning of capital improvements to realistic, reliable funding sources to ensure that both planning and implementation of such projects are responsive to available resources. This document includes general Capital Improvement Program information and overview; summaries of projects by category, fund and total; and funding sources by project category. In addition, it provides an information sheet for each capital project listed within each program category.

Of the City's total budget for FY 2010-11, almost ten percent is appropriated for Capital Improvements. The multi-year Capital Improvement Program totals \$464.7 million,

including FY 2010-11 appropriations of \$92.6 million and prior years' appropriations of \$200.8 million.

CITYWIDE DEVELOPMENT HIGHLIGHTS

As always, there are numerous City projects and activities occurring throughout the year. The following highlights a few of the more significant projects that have been completed or are underway throughout the City.

On January 22, 2010, the new Five Points Art Monument featuring Dr. David Burbank, the City's founding father, was unveiled. The sculpture designed by Andrea Favilli, portrays a ten foot bronze statue standing behind a fifty foot American flag. The figure rests on a large pentagon pedestal highlighting symbolic images of the City's history. Hardscape and landscaping such as walkway paths, trees, shrubs, site furnishings and lighting were integrated as part of the design. The occasion also commemorated the internment of the City of Burbank's 2009 time capsule. The monument is recognized as a gateway public art project, and it is featured on the cover and tabs of this budget book.

In the downtown area, the City is implementing the Smart Signage Program, which is an electronic signage program that monitors parking demand within the area's public parking structures. This enables visitors know where to find available spaces for parking. This program is intended to make parking more convenient for visitors by allowing them to save time and avoid traffic. The program is anticipated to be complete in August 2010.

Revitalizing our underserved, or "focus" neighborhoods remains a key component of the City's development plan, and is especially important during these tough economic times. The Burbank Housing Corporation and the City of Burbank recently developed a community garden to improve the quality of life in the Elmwood neighborhood, the City's first focus neighborhood. A dedicated group of residents interested in converting an underutilized playground into a garden formed the Elmwood Community Green Garden Club to care for the garden. The community garden includes hardscape, art, solar panels and a small water feature and was completed in Winter 2010. This sustainable garden provides safe, recreational green space, helps keep the air clean, uses storm water Best Management Practices, and showcases water-wise gardening practices.

INFRASTRUCTURE INVESTMENT PLAN

The Infrastructure Subcommittee, which included two of the five City Council members as well as key staff from several departments, met regularly during FY 2009-10 and provided direction for infrastructure prioritization. The subcommittee approved the FY 2010-11 infrastructure plan prior to its being reviewed by the City Council.

An overview of the developed infrastructure plan along with funding recommendations was provided to the City Council as part of the budget study sessions, and the Council approved several new and continuing infrastructure projects for FY 2010-11. Some of the more notable appropriations include the I-5 and SR-134 Congestion Management Project; the San Fernando Bikeway; Johnny Carson Park rehabilitation; seismic retrofit projects and HVAC repairs at various City facilities; and street, alley and concrete improvements.

Investment in the City's infrastructure continues to be a high priority. Along with this priority is the City's continued effort to invest in capital projects that result in reduced operations and maintenance costs, that leverage projects with non-general funds and/or

non-City funds, and to utilize the most restrictive funds prior to less restrictive funds on projects, where feasible.

CITY COUNCIL GOAL SETTING – STRATEGIC PLANNING

On May 6, 2010, the City Council conducted its annual goal setting session to prioritize their top community issues for the upcoming year. The following lists the top issues identified by the Council for the upcoming year.

1. Burbank Police Department

- a. Restoring and enhancing the BPD internally and externally. Additional support provided to restore and enhance confidence, image and morale of police personnel and the public.

2. Financial Stability & Budget Efficiency

- a. Develop a balanced, strategic 5-year budget.
- b. Begin to build a Labor strategy and Compensation philosophy.
- c. Continue with Business Process Improvements including joint regional and local efforts.
- d. Evaluate city services/programs for cost effectiveness while minimizing service level reductions.
- e. Optimize operational efficiency and purchasing power by utilizing “best practices”.
- f. Analyze and develop a long term strategy for the payback of Redevelopment loan to general fund.

3. Economic Development

- a. Strategically position Burbank as a competitive Regional, Statewide and National hub for business and residency.
- b. Continue aggressive retention and expansion efforts of existing businesses.
- c. Continue aggressive efforts to attract new retail/commercial businesses and innovative development through enhanced business outreach and communications.
- d. Continue to partner with the chamber and other organizations. Explore public/private partnerships.

4. Infrastructure/ Transportation, Traffic & Parking

- a. Leverage the favorable bidding climate and federal/state monies to maximize our resources for a long-term infrastructure investment strategy.
- b. Continue to plan, build, operate and maintain infrastructure in a way that balances sustainability goals with lifecycle costs through the adoption of new practices and technologies.
- c. Continue improving traffic flow and signalization throughout the city.
- d. Maintain focus on parking/traffic congestion concerns on major arterials and attempt to identify solutions.

5. Sustainability

- a. Explore combining efforts with surrounding jurisdictions and explore public/private partnerships.
- b. Continue to make strides to maintain and improve upon our environmental and economic sustainability successes.

- c. Continue updating the Sustainability Action Plan.
- d. Weave sustainability through all aspects of the 10 Year Strategic Plan.

6. Strategic Communications Plan

- a. Utilize various methods of communication, building on new technologies in web and TV and look for efficiencies through tri-city efforts.
- b. Improve and enhance internal and external communications while enhancing transparency by providing easy access to useful information.
- c. Seek to brand and market the City, capitalizing on the start of the Centennial Celebration.
- d. Conduct media training for Council/executives/key management.
- e. Continue to respond to citizen concerns/questions in an effective and timely manner and encourage Public engagement in Government.

These goals become central to the efforts of City staff in all activities of the City. Staff's efforts to carry out Council policy are daily, general efforts. In addition, there are specific efforts to address these goals in various ways.

The Council approved several appropriations that will enhance staffing within the Burbank Police Department and provide organizational development opportunities for the Department. Financial stability and budget efficiency continues to be a top priority of City staff as we continue to look for ways to address our structural deficit while having minimal impact on City services. The Redevelopment Agency continues to develop and support economic development programs which improve local neighborhoods and businesses, create jobs and promote continued revitalization in the Downtown Burbank. Traffic, transportation and parking received additional funding this year from the City as well as Los Angeles County Measure R Transportation funding and American Recovery and Reinvestment Act (ARRA) funding with the intent to positively impact these areas. The Sustainability Task Force continues to focus on various initiatives to minimize waste streams, enhance reuse and recycled materials, minimize the use of products that are more harmful to the environment, and promote alternatives to single passenger commutes to work. In conjunction with City departments, the Public Information Office (PIO) continues to update and enhance the City's communications and marketing plan. Examples include a newly transformed City website which provides for greater transparency and ease of use, and the appropriation of funds to kick-off of a year-long campaign highlighting the City's Centennial Celebration in 2011.

This budget reflects initial appropriations to address these issues. In addition, Staff will be working over the next year to take other appropriate action(s) to address each of these issues. These major issues help drive the City's annual Work Program which is published as a separate document each fiscal year. The FY 2010-11 Work Program includes over 250 goals and objectives, including several capital improvement projects. The elements of the Work Plan are above and beyond the core services to the community that the City provides and part of our continuous improvement efforts. The Work Program is available for review on the City's website. Included with the Annual Work Program and this Budget Document are the departmental Performance Measures. Performance Measures are used by the City to assess how efficiently and effectively programs and activities are provided and determine whether organizational goals are being met. In keeping with the practice of recent years, the Adopted FY 2010-11 Budget closely links the operating and capital expenditure plans with the priorities established by the City Council.

CONCLUSION

I would like to thank all of those responsible for the successful completion of this year's budget. The adopted budget represents a tremendous amount of work by Department Managers and key members of their staff. Special thanks go to the Financial Services Department Budget Staff, who spent countless hours developing this budget into a single working document. Lastly, I would also like to thank the City Council for their leadership as policymakers throughout the budget process, and for making difficult, yet responsible decisions that will guide this City through uncertain times. I am proud and confident that this year's FY 2010-11 Budget meets the needs of the Burbank community.

This budget development process has been the most challenging in recent history due to the impacts of the economic crisis. For the first time in many years, the Council adopted a budget which required the use of set-aside funds in order to balance the budget, with the goal in mind of utilizing the next two fiscal years to implement the changes necessary to establish a long-term, sustainable economic plan for the City. Staff has worked diligently to formulate a budget balancing plan which incorporates business process efficiencies, service reductions, revenue enhancements, labor negotiations and the use of one-time funds in order to "right-size" our budget, but the work does not end with the adoption of this budget. John F. Kennedy once said, "When written in Chinese, the word 'crisis' is composed of two characters. One represents danger, and the other represents opportunity." City staff is mindful of the fiscal challenges facing Burbank in the years ahead, but I am confident we can rise to this challenge and ultimately put the City in a position to be at the forefront of economic opportunity as recovery takes hold over the next several years.

Fortunately for Burbank, we are still in much better financial condition than our neighboring cities both in Los Angeles County and throughout the State. This is largely due to our historically conservative approach to fiscal matters and the solid financial policies adopted by the Council. We have a diverse revenue base, and we continue to make strong efforts in economic development which will help provide fiscal health into the future, and allow us to continue to provide quality municipal programs and services to our residents. Indeed, Burbank has much to celebrate, and as we approach our City's 100th year of incorporation in 2011, we look towards the future with much optimism and anticipation. Our upcoming year-long Centennial Celebration is just another reason why Burbank is such an exciting place to live, work and play!

As always, staff will continue to be diligent in its review of City finances in order to assist the Council in making decisions that will ensure the fiscal viability of the City. In the meantime, I look forward to working with you on implementing all the goals set forth in this budget.

Respectfully submitted,



Michael S. Flad
City Manager



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